

HOMEBUYER ASSISTANCE PROGRAM

MORTGAGE (Individual Borrower)

Department of Consumer and Industry Services
MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
735 East Michigan Avenue, Lansing, Michigan 48912

THIS MORTGAGE, made and entered into this ____ day of _____, 200____, by and between _____, whose address is _____ (hereinafter referred to as the "Borrower"), and the MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY, a public body corporate and politic of the State of Michigan, 735 East Michigan Avenue, Lansing, MI (hereinafter referred to as the "Lender").

W I T N E S S E T H:

WHEREAS, the Borrower is acquiring the property described in this Mortgage pursuant to the Lender's Homebuyer Assistance Program; and

WHEREAS, the Borrower acquired the property described in this Mortgage from a non-profit grantee of the Borrower, which financed the acquisition and/or rehabilitation of the property pursuant to its Housing Resource Fund Grant Agreement (initiated under, but not limited to, Grant # ____), for the acquisition, rehabilitation or construction of a single family home and for assisting an eligible first time homebuyer; and

WHEREAS, the Borrower is justly indebted to the Lender in the principal sum of _____ and No/100 (\$ _____. 00) Dollars, evidenced by a Note executed on _____, 200____ (hereinafter referred to as the "Note"), which Note is identified as being secured by this Mortgage by a statement on the Note. The Note and all of its terms are incorporated in this Mortgage by reference and this conveyance shall secure any and all extensions of the Note, however evidenced.

NOW, THEREFORE, the Borrower, for the better securing of the payment of the principal sum of the Note, and the performance of the covenants and agreements contained in this Mortgage, does by this Mortgage, MORTGAGE AND WARRANT to the Lender, its successors or assigns, the lands, premises and property (the "Property") located in the City/Township of _____, in the County of _____ and State of Michigan, described as follows:

TOGETHER with the privileges and appurtenances to the same belonging and all of the rents, issues, and profits which may arise or be had therefrom.

TO HAVE AND TO HOLD the Property, together with all appurtenances pertaining to the Property, unto the Lender forever, provided that if the Borrower shall pay the principal and all interest as provided in the Note and shall pay all other sums hereinafter provided for, and shall keep and perform all of the covenants contained, in this Mortgage then this Mortgage and the Note shall be null and void; otherwise to remain in full effect.

AND the Borrower hereby COVENANTS as follows:

1. The Borrower will pay the Note at the times and in the manner provided therein.
2. The Borrower agrees that if all or any part of its interest in the Property is sold, transferred, or otherwise conveyed, voluntarily or involuntarily, either while the Borrower is living or upon the death of the Borrower, or the Property ceases for any other reason to be the Borrower's principal place of residence, or if the Borrower defaults in the terms or payment of any other lien now existing against the Property, or hereafter incurred, the Borrower shall repay the Lender (unless the Lender otherwise agrees not to require repayment) either the full amount of the Note, or the net proceeds of the sale of the Property (as "net proceeds" is defined in the Note), whichever is less.

Any required repayment shall be made to Lender not later than the 30th day following the sale, transfer, mortgaging or other conveyance, or following the date upon which the structure ceases to be the Borrower's principal place of residence, or after written notice from MSHDA that the Borrower is in default of any other lien then existing against the Property.

The Lender, at its option, is authorized to declare immediately due and payable all or any part of the indebtedness remaining at the time of that declaration upon the Lender's discovery of the Borrower's failure in the Borrower's loan application to disclose any fact deemed by the Lender to be material, or of the making of any misrepresentation by, on behalf of, or for the benefit of the Borrower in the loan application or in any of the agreements entered into by the Borrower with the Lender including but not limited to the Note and this Mortgage.

3. Promptly after the date of any sale, transfer, mortgage or other conveyance of all or any part of the Borrower's interest in the Property or promptly after the date upon which the Property ceases to be the Borrower's principal place of residence, Borrower, or its heirs, executors, or representatives shall give Lender written notice by certified mail of such sale, transfer, mortgage or conveyance.

4. The Borrower will pay all ground rents, taxes, assessments, water rates, and all other charges and encumbrances which now are or shall hereafter be or appear to be a lien upon the said Property or any part thereof, before the same become delinquent or subject to interest or penalties (unless otherwise agreed to in writing), and that in default thereof, the Lender may, without demand or notice, pay the said taxes, assessments, charges or encumbrances, and shall be the sole judge of the legality or validity thereof and of the amount necessary to be paid in satisfaction thereof.
5. The Borrower will keep the improvements now existing or hereafter erected on the mortgaged property insured against loss by fire and such other hazards, casualties, and contingencies as may be stipulated by the Lender, unless otherwise agreed to in writing.
6. If the Property or any part of it is damaged by fire or other hazard insured against, the amounts paid by any insurance company pursuant to a policy of insurance shall be paid to the Lender to the extent of the outstanding indebtedness. At the option of the Lender, the proceeds may be applied first to interest, if any, and then to principal owed under the Mortgage Loan or released for the repairing or rebuilding of the Property. No amount applied to the reduction of the principal of the Mortgage Loan shall relieve the Borrower from making further payments hereunder following the date of receipt of the proceeds.
7. All awards of damages in connection with any condemnation for public use of or injury to any of the Property shall be paid to the Lender to the extent of the outstanding indebtedness. At the option of the Lender, the proceeds may be applied first to interest if any. The Lender is hereby authorized in the name of the Borrower to execute and deliver valid acquittances for such awards and to appeal such awards.
8. The Borrower will not permit or commit any waste on the Property and will keep the buildings and all equipment associated with the Property, if any, in good repair, and promptly comply with all laws, ordinances, regulations, and requirements of any governmental body affecting the Property, and should the Property or any part of the Property require inspection, repair, care, or attention of any kind or nature not provided by, or on behalf of, the Borrower, the Lender may, at its discretion and after notice to the Borrower, enter or cause entry to be made on the Property, and inspect, repair, protect, care for or maintain the Property as the Lender may deem necessary, and may pay such sum of money as the Lender may deem to be necessary for that purpose, and shall be the sole judge of the amount necessary to be paid.
9. The Borrower will not execute or file for record any instrument which imposes a restriction upon the sale or occupancy of the Property on the basis of sex, race, color, religion, creed, national origin, age (unless with respect to a senior citizens housing program), height, weight, handicap, family status or marital status except as provided by law.
10. If there is a default under this Mortgage, an Authorized Officer of the Authority may cause the abstract or abstracts of title, or Title Insurance Policy and the tax histories of the Property to be certified to date, or may procure new abstracts of title or Title Insurance Policies and/or tax histories or title searches in case none were furnished to it, and may pay whatever sums as it may deem to be necessary to obtain them.
11. The Borrower shall pay the Lender forthwith the amounts of all sums of money which the Lender shall pay or expend pursuant to the provisions of the Note and this Mortgage, and such payments by the Lender shall be a further lien on the Property under this Mortgage.

12. Should any default be made in the payment of principal, or should default be made in the performance of any other covenants of this Mortgage or the Note secured hereby, or any part thereof, when the same is payable or the time of performance has arrived, as above provided, then all sums due hereunder shall, at the option of the Lender, without notice, become immediately payable thereafter, although the period above limited for the payment thereof may not have expired, anything herein contained or contained in the Note to the contrary notwithstanding, and any failure to exercise such option shall not constitute a waiver of the right to exercise the same at any other time with respect to the same default or any subsequent default.
13. No forbearances on the part of the Lender and no extension of the time for the payment of the debt hereby secured, given by the Lender, shall operate to release, discharge, modify, change or affect the original liability of the Borrower herein either in whole or in part.
14. Upon default being made in the payment of the sums of money herein agreed to be paid or in the performance of any of the covenants or agreements herein contained according to the terms hereof or of the Note secured hereby the Lender is hereby authorized and empowered to sell or cause to be sold the property hereby mortgaged, and to convey the same to the purchaser, pursuant to the statute in such case made and provided, and out of the proceeds of such sale to retain the moneys due under the terms of this Mortgage, the costs and charges of such sale and also the attorney's fee provided by statute, rendering the surplus moneys (if any there should be) to the said Borrower.
15. **NOTICE: THIS MORTGAGE CONTAINS A POWER OF SALE AND UPON DEFAULT MAY BE FORECLOSED BY ADVERTISEMENT AS HEREIN PROVIDED.** Upon default being made in the payment of the sums of money herein agreed to be paid, or in the performance of any of the covenants or agreements herein contained according to the terms hereof or of the Mortgage Note secured hereby, the holder of the Mortgage Note is hereby authorized and empowered to sell the Property or cause it to be sold and to convey the same to the purchaser in any lawful manner, including but not limited to that provided in the Act and by Section 49 of the Act entitled "Foreclosure of Mortgage by Advertisement," which permits the mortgage holder to sell the Property without affording the Borrower a hearing, or giving it personal notice; the only notice required is to publish notice in a newspaper of general circulation in the county wherein the Property is located and to post a copy of the notice on the Property.

WAIVER: BY CONFERRING THIS POWER OF SALE UPON THE MORTGAGE HOLDER, THE BORROWER FOR ITSELF, ITS SUCCESSORS AND ASSIGNS HEREBY WAIVES ALL RIGHTS UNDER THE CONSTITUTION AND LAWS OF THE UNITED STATES AND UNDER THE CONSTITUTION AND LAWS OF THE STATE OF MICHIGAN BOTH TO A HEARING ON THE RIGHT TO EXERCISE AND THE EXERCISE OF THE POWER OF SALE, AND TO NOTICE EXCEPT AS REQUIRED BY THE MICHIGAN STATUTE WHICH PROVIDES FOR FORECLOSURE BY ADVERTISEMENT. However, the Borrower reserves the right to timely contest the exercise of the power of sale by instituting suit against the mortgage holder in the circuit court of the county in which the Property is located or any other court of competent jurisdiction.

The Borrower further agrees that the mortgage holder is authorized and empowered to retain out of the sale proceeds such monies as are due under the terms of this Mortgage, the costs and charges of such sale, and also the attorney's fee provided by statute or as otherwise provided by a court of competent jurisdiction, rendering the surplus monies (if any there should be) to the Borrower. In the event of a public sale, the Property may, at the option of the mortgage holder, be sold in one or more parcels.

16. The Borrower will not voluntarily create or permit to be created against the Property any lien or liens,

whether superior or junior to the lien of this Mortgage, except for one or more purchase money mortgages executed on approximately the same date as this Mortgage, and agrees to keep and maintain the Property free from the claims of all persons supplying labor or materials that will be used in the construction, rehabilitation or repair of the Property and the failure of the Borrower to keep the Property lien-free shall be a default under this Mortgage.

17. All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage or afforded by law or equity, and may be exercised concurrently, independently or successively.
18. The invalidity of any clause, part or provision of this Mortgage shall not affect the validity of the remaining provisions of this Mortgage.
19. The covenants herein contained shall bind, and the benefits and advantages shall inure to, the respective successors and assigns of the parties hereto.

IN WITNESS WHEREOF, the Borrower has caused these presents to be as of the day and year first above written.

STATE OF MICHIGAN)

COUNTY OF _____)

On this _____ day of, 200____, before me appeared _____
_____, to me personally known, who, being by me duly sworn
acknowledged the above instrument to be their free act and deed.

Notary Public; County of _____,
State of Michigan
My Commission Expires: _____

Drafted by:

WHEN RECORDED RETURN TO:

Michigan State Housing Development Authority
Office of Legal Affairs
735 East Michigan Avenue, P.O. Box 30044
Lansing, MI 48909